

Committee:	Schools Forum
Meeting Date:	30 January 2023
Title:	Early years national funding formula (EYNFF) 2023-24
Author:	Christina Lewis, Head of Service – Early Years & Childcare
Decision making / consultative / information:	Decision
Who can vote?	All members with voting rights

What is the Forum being asked to decide?

1. Now that the DfE have published the revised funding rates for the EYNFF.
2. The LA needs to propose how this will be distributed. SCC then needs to publish the agreed rates for the Early years sector.
3. I am seeking agreement from Schools forum for the proposed changes.

Reason for recommendation

4. Whilst Suffolk’s funding rate is increasing the costs providers are facing will not be matched.
5. The proposal would distribute the maximum amount available equitably across the sector, this includes private, voluntary, independent, and maintained providers.
6. Taking this approach will not increase bureaucracy around the funding claims so is manageable within the current business support/early education funding capacity.

Alternative options

7. Introduce a quality supplement applicable to providers whose provision is led by a teacher or equivalent.
8. This is not favourable as it creates additional administration with the need to check qualifications and to ensure that the ‘teacher’ is working directly with the children.
9. To be able to do this SCC would need to expand capacity and therefore increase the percentage we retain. This would reduce the total amount available to distribute to early years providers.

Who will be affected by this decision?

10. All providers of the early education funded entitlements.

Main body of the Report

11. The proposals for early years funding for 2023/24 are:

- The maximum amount available is added to the providers hourly rate for 3 & 4 year olds
- The LA continues to retain 3.3% (this is the current retained amount). The statutory guidance allows LAs to retain 5%.
- The amount allocated for supplements to remain unchanged at 2.2% for deprivation and 0.05% for inclusion.
- The amount allocated for Disability Access Fund (DAF) to remain unchanged.
- The full amount available for funded 2 year olds is passed through to providers.
- Early Years Pupil Premium to increase from 60p to 62p
- The full amount of the maintained nursery school (MNS) supplement is paid to Highfield.
- The teachers pay and pension grant, formally paid directly to schools with a nursery class, is ceasing and has now been included in the EYNFF and therefore will be included in the hourly rate increase.

12. Suffolk's hourly rate for 3 & 4 year olds is now published at 4.89 pence. It would be allocated thus:

- Rate to providers £4.60 (an increase of 24p)
- Deprivation supplement 11p
- Inclusion supplement 2p
- Centrally retained amount 16p

13. Suffolk's hourly rate for 2 year olds will be £5.74 (an increase of 17p)

14. Suffolk's rate for DAF to remain at £1000 per eligible child per annum. This is £172 more than the DfE published rate of £828.

15. The MNS supplement will be £129,527.00

FINANCIAL IMPLICATIONS

There will be no growth in the LA retained budget. The early years and childcare service will remain sustainable but with no capacity for growth or development should changes in expectations or duties arise.

The early years sector will continue to face difficulties with sustainability.